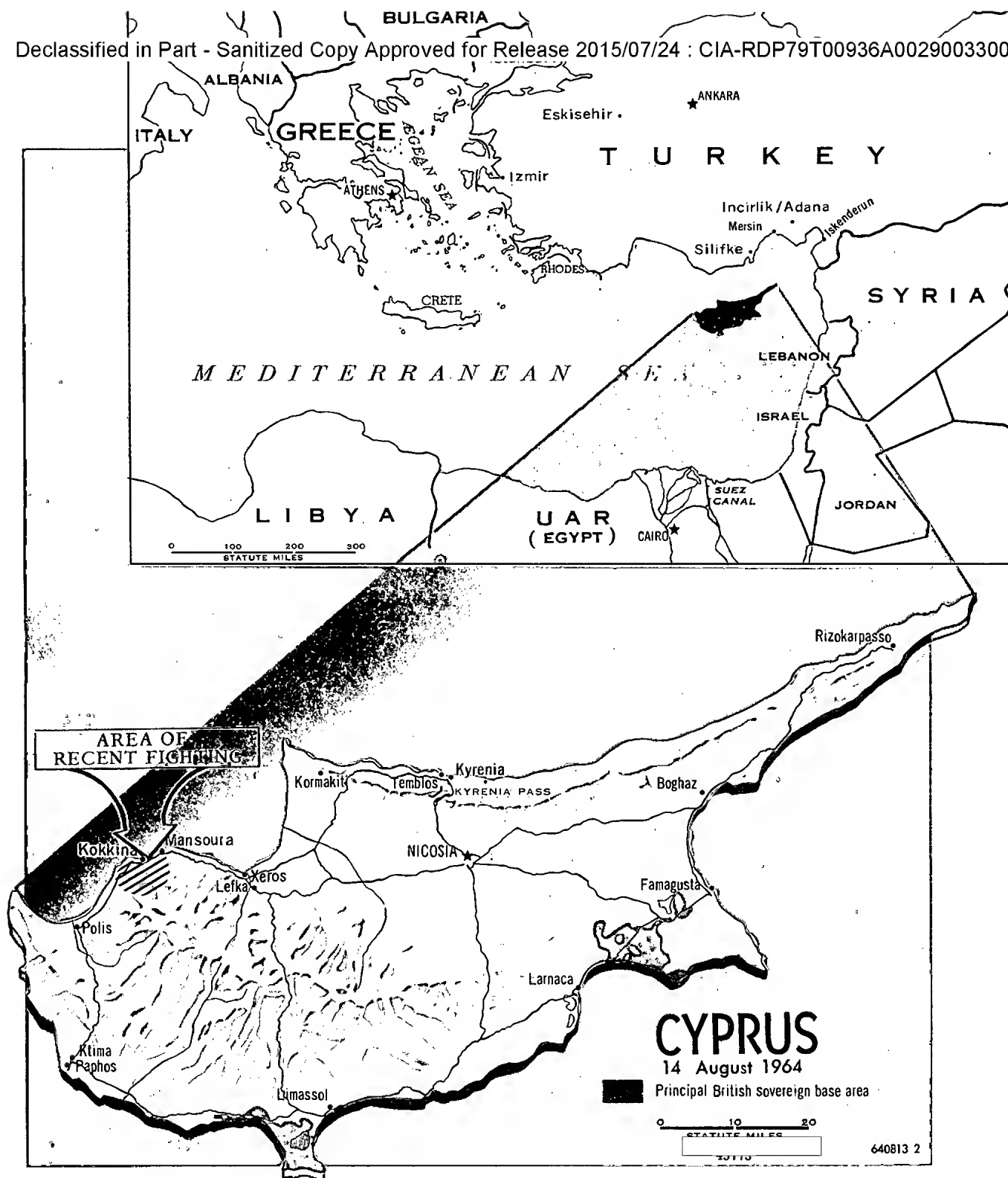


THE PRESIDENT'S INTELLIGENCE REVIEW

ISSUED BY THE
CENTRAL INTELLIGENCE AGENCY

12 - 14 AUGUST 1964

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1. Cyprus: Tensions in the Kokkina area have eased off somewhat. UN forces have begun to take positions between Greek and Turkish Cypriots in the vicinity of the village.

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Papandreou, under strong pressure at home to give Makarios greater support, has turned down Inonu's request for bilateral negotiations. Had he agreed to talks which excluded Makarios, he might have lost his own popular support.

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Despite his backing of the Greek Cypriots, Papandreou now has virtually no influence over Makarios and he seems to have had serious disagreements with General Grivas at their 5 August meeting.

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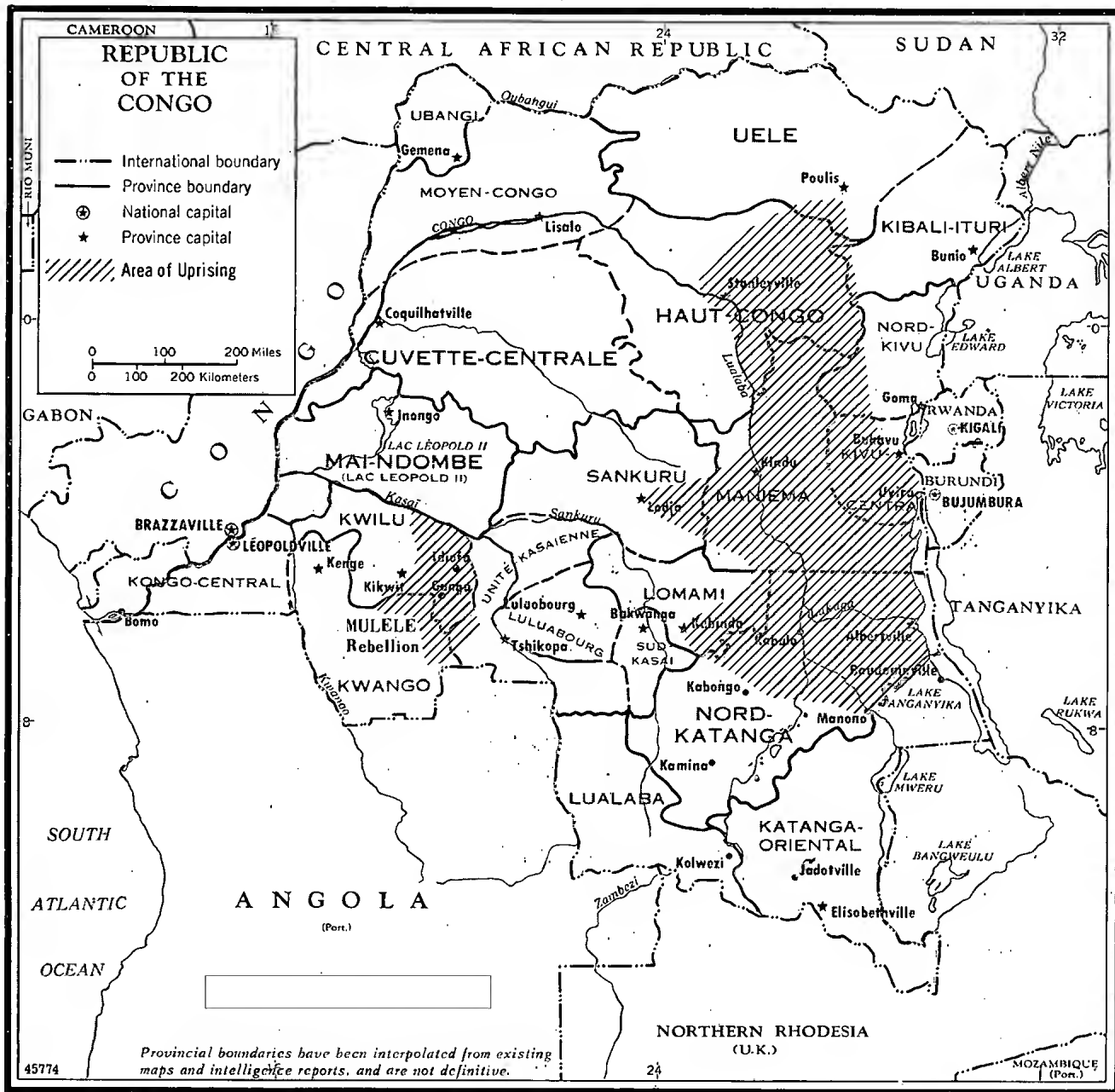
Greek Cypriot leaders have continued to press for Soviet military aid

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We doubt that Moscow is likely to move quickly to involve herself to this extent in the current Cyprus crisis, however, and any such assurances are probably largely for propaganda purposes.

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2. Congo: Government forces are still meeting with some success in North Katanga. There are reports of the rebels' abandonment of Kabalo and of their panic in Albertville. This offsets somewhat the continuing bad news on rebel advances in the eastern Congo and toward Luluabourg in the central south area. Bukavu was reported under attack on 14 August.

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3. Communist China - North Vietnam: Overall, there has been little change in the military situation.

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Hanoi and Peiping continue their "scare" propaganda.

On 13 August, Wilfred Burchett, an Australian pro-Communist newsman, wrote in a Japanese paper that, if US or South Vietnamese attacks on North Vietnam are "pressed," an immediate result would be "military unification" of North Vietnam and Viet Cong-controlled areas and the creation of a "single military front" across Indochina--including Laos. Burchett allegedly got this from Hanoi.

The Soviets would appear to consider the immediate crisis over.

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4. South Vietnam: Khanh intends soon to effect changes in his government.

These will include his taking over Minh's job as chief of state and sending the latter abroad as an ambassador. Khanh as president would combine the functions of chief executive as well as chief of state.

(Cont'd)

Defense Minister Khiem would become vice president for military affairs, and there has been talk of Vu Van Mau, present ambassador to London, as vice president for civil affairs.

The reorganization, if it comes off, will probably ease Khanh's work load.

He may also follow up his recent emergency decrees with other changes he has been contemplating--canceling elections, writing a provisional constitution, and later creating a pliant national assembly. These moves, however, would be an invitation to serious, new opposition.

Minh, moreover, may not sit still for all this. He has told Ambassador Taylor he will resist Khanh's plans to send him abroad as part of the reorganization. This probably would not prevent Khanh from following through with his plan, but if Minh refuses to leave the country, he could become a focal point for opposition to the Khanh regime.

5.

Indonesia:

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6. Pakistan: President Ayub has told Ambassador McConaughy that his present "reappraisal" of foreign policy only involves SEATO.

He said SEATO is of no real value to Pakistan and that Pakistan is "embarrassed" because its "liabilities nearer home" do not permit it to pull its weight in SEATO. We continue to suspect some sort of a secret understanding with Peiping.

Ayub repeated his position that he could commit nothing to South Vietnam or other Southeast Asian governments, but he carefully avoided any suggestion that Pakistan might withdraw from CENTO or its bilateral security agreements with the US.

7. Cuba: We hear that a Bolivian break with Cuba is in the offing. An announcement, however, would probably await some cooling of the present unrest and series of demonstrations there.

Havana may have temporarily suspended most purchasing in the West. The Cubans are seeking to straighten out a certain degree of chaos produced by uncoordinated buying in recent months.

A Cuban trade group now in the UK is seeking \$14 million worth of parts and equipment for repair and maintenance of sugar and nickel production and refining facilities. Included are locomotives and freight cars.

(Cont'd)

The penalties meted out to high Cuban officials for mismanagement and inefficiency are harsh. We hear that the former Minister of Economy, dismissed in July, is now managing a dairy and that the former Foreign Trade Minister, dismissed in June, is working in a copper mine--down in the shaft.

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8. Jordan:

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9. Laos: Operation Triangle's mopping up operations continue, with no signs as yet of Pathet Lao preparations to counterattack.

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10. Bolivia: Faced with unrest in various quarters and threats by adherents of ex - Vice President Lechin to rebel

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11. Haiti: Duvalier's forces are still after two groups of rebels, with little success. One group of 35 landed on 6 August, the other of about 25 came in from the Dominican Republic. Duvalier very much wants the US to do something about this activity.
12. Panama: Pro-Castro agitators are again planning demonstrations in Panama City this weekend during the celebrations marking the fiftieth anniversary of the opening of the canal.
13. Brazil: Some military leaders, who call themselves "hardline," are pressing Castello Branco to assume near-dictatorial powers. They want to stop an alleged come-back of Goulart regime politicians who are "subverting" the April revolution. Castello Branco has reacted by reiterating his intention to follow democratic procedures, but he may have to go along with some of their demands.

14. Communist China: The Chinese are closer this year to becoming self-sufficient in petroleum, but will still be dependent on the USSR for nearly all their jet fuel, aviation gas, and high grade lubricants. Imports from the USSR have been dropping. This year Moscow will apparently supply only 450,000 tons, less than ten percent of China's total requirements.
15. Lebanon: President Shihab, apparently still determined not to accept a second term, intends to use his influence to break the deadlock over succession to his office. Shihab can probably rally a quorum in parliament for the scheduled 18 August election. He hopes quietly to engineer the choice of one of several candidates he thinks suitable.
16. India-USSR: The Indians intend to ask Moscow for more MIG-21s, [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] The new order is intended to fill the gap until domestic production of MIGs is under way.

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USSR-China: Preliminary examination of

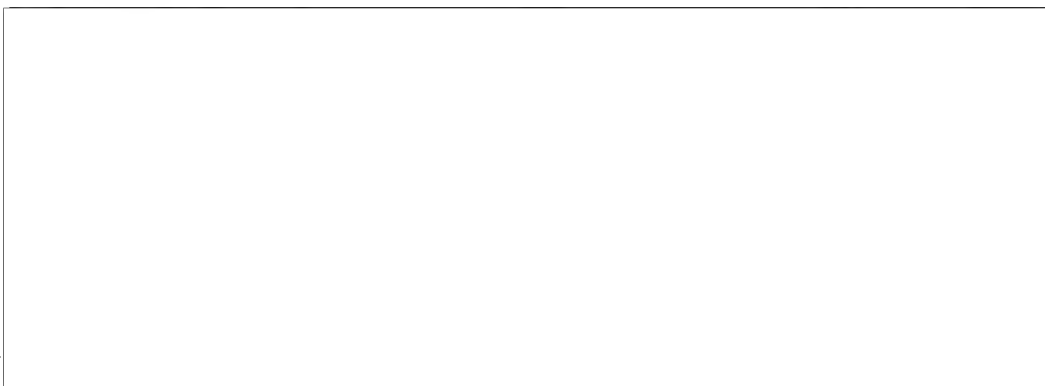
[redacted] Mission [redacted]
[redacted] shows more ICBM dispersed single
silos in an early stage of construction,
this group in the Soviet Far East.

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This group is located at an existing ICBM
complex at Olovyanaya, southeast of Chita,
and consists of six silo areas separated by
distances of three or four miles.

This second discovery of dispersed
single silos confirms the Soviets are shift-
ing new ICBM deployments to this less vulner-
able system. We cannot yet tell which missile
is intended for these silos but suspect it
will be the SS-9, which has had a highly suc-
cessful test record, so far.

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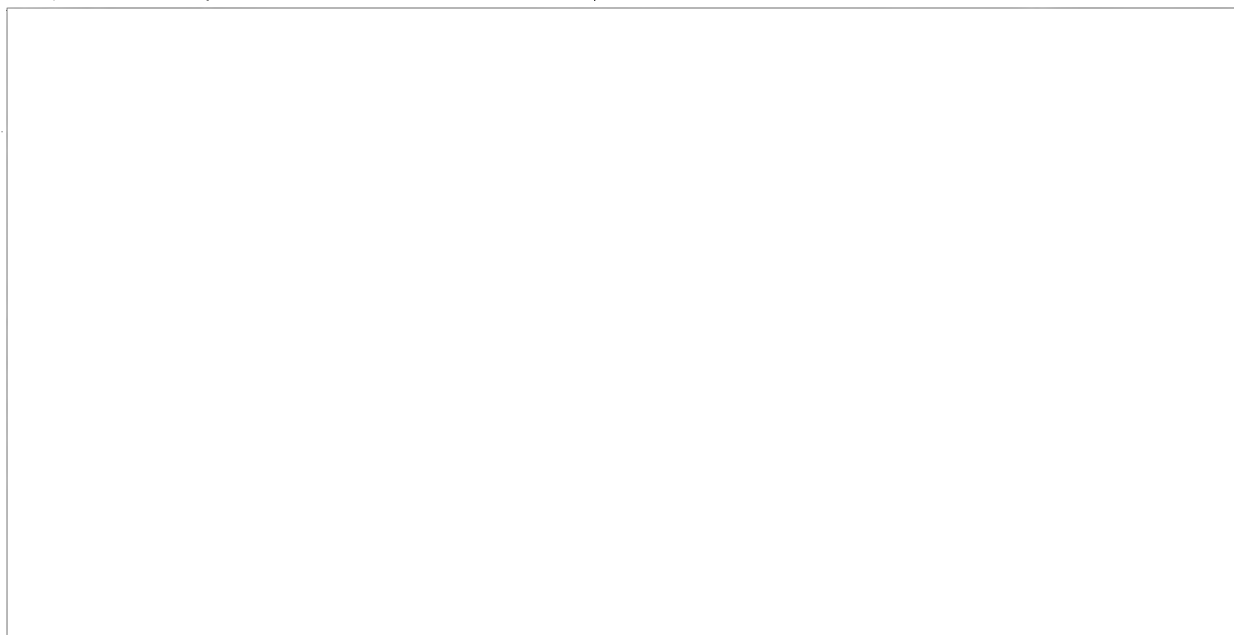
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